



COMMONWEALTH of VIRGINIA
Department of Medical Assistance Services

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Dear Medicaid Coordinator:

Re: Submitting Medicaid Cost Reports for the 2007-2008 School Year

This letter describes the steps school divisions need to follow to complete the approved medical services and transportation cost reports for the 2007-2008 school year, which will be due by November 30, 2008. Please share this information with other staff responsible for medical services or transportation cost reports.

DMAS, DOE and DMAS contractors, the University of Massachusetts Medical School (UMMS) and Clifton Gunderson, have worked closely on these instructions. Presentations on these changes and further information will be discussed at the annual DOE conference in Charlottesville, VA on October 7-8, 2008.

Revised cost reports and instructions for the 2007-08 cost reports are available on the DOE web site at www.doe.virginia.gov/VDOE/Instruction/Sped/medicaidmain.html. The medical service cost report has been revised to include two time study reports.

The rest of the letter outlines the specific steps that need to be completed and timelines that need to be met so that the cost reports for the 2007-2008 school year can be submitted by November 30, 2008.

Medical Services Cost Report

1. Personnel Costs

In order for UMMS to provide personnel cost reports for each school division, school divisions must submit all personnel costs to UMMS for all quarters in the 2007-2008 school year by October 1, 2008. If you have submitted your costs for administrative claims through June 30, 2008, you do not need to do anything further. Using the reported costs, UMMS will provide personnel cost reports for use in Section 3 of the medical services cost report by October 31, 2008. If the school division has not provided all personnel costs to UMMS by October 1, the school division will have to complete Section 3 of the cost report on their own.

2. Time Study Percentages

Along with the personnel cost reports, UMMS will send school divisions the statewide time study percentages to be used in Section 2 of the Cost Report by October 31, 2008. DMAS has received approval from CMS to use two statewide time study reports in Section 2. The first time study report is for nurses and other medical personnel and will be used with the nursing and medical evaluation costs reported on the cost report. The second time study report is for all other personnel and will be used with all other costs reported on the cost report. The cost report has been revised to reflect this.

3. Claims and Payment Report

Claims for services provided in the 2007-2008 school year should be submitted for payment by the end of September so that DMAS can prepare payment reports on interim payments. Interim payments are needed for Section 6 of the Medical Services and Transportation Cost Reports on reconciliation. DMAS will mail these reports by October 31, 2007. Any claims for the 2006-2007 school year that were not paid by September 30, 2007 will also be included. Any claims for the 2007-2008 school year that are submitted and paid after September 30, 2008 will be included in next year's payment report.

4. Non-Personnel Costs

The school division will be responsible for reporting non-personnel costs on Section 5 based on the instructions.

5. Eligibility Percentages

Each school division must calculate three eligibility percentages that represent Medicaid, Medicaid Expansion and FAMIS students with IEPs divided by all students with IEPs as of December 1, 2007. The instructions from last year have not changed. It is not necessary to report these percentages separately to DMAS, but they must be included on Section 1 of the cost report and the school must maintain documentation supporting these percentages. These percentages will be used to complete Sections 4 and 5 of the cost report. The instructions are available on the DOE web site.

Transportation Cost Report

1. Personnel Costs

School divisions are responsible for reporting personnel costs for specialized transportation on Section 3. If personnel, such as mechanics, furnish services for both specialized and regular transportation, only costs for specialized transportation should be reported. See instructions for how to allocate costs to specialized transportation.

2. Non-Personnel Costs

The school division will be responsible for reporting non-personnel costs on Section 2 based on the instructions.

3. Reimbursable Cost Percentages and Transportation Log

The transportation cost report does not use the eligibility percentages used in the medical services cost report. Instead the transportation cost report calculates reimbursable cost percentages by dividing Medicaid, Medicaid Expansion and FAMIS reimbursable trips as a percentage of total trips on specialized buses. School divisions must be able to document total trips for all students on specialized buses, not just the reimbursable trips. The transportation log available on the DOE web site has been developed to assist school divisions in complying with the documentation requirements. Please refer to the instructions for additional information. If the school division does not use the transportation log, it must still be able to furnish documentation with similar information. It is not necessary to report these percentages separately to DMAS, but they must be included on Section 1 of the transportation cost report and the school must maintain documentation supporting these percentages. These percentages will be used to complete Sections 2 and 4 of the cost report.

4. Interim Payments

Interim transportation payments will be provided by DMAS as part of the Claims and Payment Report described above in the Medical Services Cost Report Section. This information should be entered in Section 6.

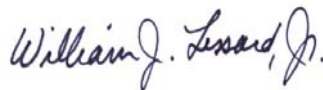
Cost Report Submission

Both cost reports will be due to Clifton Gunderson by November 30, 2008. Clifton Gunderson will settle cost reports within 180 days of submission (May 31, 2009 if submitted on November 30, 2008).

DMAS, DOE, UMMS and Clifton Gunderson are committed to assisting school divisions. John Jurgens will be the DMAS contact for school cost reports for the 2007-2008 school year. Michael Lupien continues to be responsible for other components of school reimbursement. If you need assistance please feel free to contact

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Sincerely,



William J. Lessard, Jr.
Director
Provider Reimbursement